

Message Text

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ACTION EA-09

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FM AMCONSUL OSAKA KOBE

TO USDOC WASHDC

INFO SECSTATE WASHDC 2079

AMEMBASSY TOKYO

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E.O. 11652: N/A

TAGS: BFOL, JA

SUBJECT: IWATANI/OSAKA GAS: LARGE SCALE GAS PRODUCTION

1. BEGIN SUMMARY. IWATANI AND OSAKA GAS CO., LTD. HAVE ORGANIZED JOINT VENTURE COMPANY, COLD AIR PRODUCTS CO., LTD. (CAP) TO PRODUCE OXYGEN, NITROGEN, ARGON AND OTHER GASES BY SEPARATING AIR. CAP WISHES TO FIND ADVANCED NITROGEN TECHNOLOGY TO EXPAND JAPANESE DEMAND FOR THEIR GAS. IWATANI SENDING REPS IN SEPTEMBER TO TALK TO SUCH COMPANIES. REQUEST COMMERCE ADVISE CONGEN OF US FIRMS WITH HIGH NITROGEN USAGE TECHNOLOGY.
END SUMMARY.

2. CAP IS CAPITALIZED AT YEN 200 MILLION (OSAKA GAS 57 PERCENT, IWATANI 38PERCENT, DAIDO SANSO 5 PERCENT). CAP WILL START PRODUCTION OF GASES IN SPRING 1977. INVESTMENT IN PLANT EQUIPMENT OF CAP WILL AMOUNT TO YEN SIX BILLION. CAP WILL PROCURE PRODUCTION EQUIPMENT IN JAPAN.

3. ACCORDING TO ITS PRODUCTION PLAN, CAP WILL HAVE HAVE A SURPLUS PRODUCTION CAPACITY OF NITROGEN GAS, AMOUNTING TO 15 MILLION CUBIC METERS PER MONTH, OR ONE THIRD OF THE TOTAL JAPANESE DEMAND. IN THIS CONNECTION, IWATANI WISHES TO INTRODUCE AMERICAN TECHNIQUES
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FOR INDUSTRIAL APPLICATION OF NITROGEN GAS WITH A VIEW TO PROMOTING

DEMAND FOR NITROGEN GAS IN JAPAN.

4. IWATANI WISHES TIE-UP WITH MAJOR OXYGEN AND NITROGEN GAS MANUFACTURER IN U.S. WHICH IS NOT REPRESENTED IN JAPAN AND HAS TECHNIQUES FOR USE OF NITROGEN GAS. AS FOR THE TYPE RELATIONSHIP, IWATANI IS FLEXIBLE. IT MAY IMPORT MACHINES AND EQUIPMENT, FORM A JOINT VENTURE, OR ARRANGE A TECHNICAL LICENSING AGREEMENT FOR JAPANESE PRODUCTION OF NEEDED EQUIPMENT.

5. ALTHOUGH IT IS KNOWN IN JAPANESE GAS INDUSTRY THAT OSAKA GAS AND IWATANI ARE UP TO SOMETHING, MAGNITUDE OF PROJECT IS UNKNOWN EVEN IN TRADE CIRCLES. IWATANI FEARS THAT WIDESPREAD PREMATURE EXPOSURE COULD RESULT IN CONSIDERABLE DISCORD WITH OTHER, PARTICULARLY

SMALLER, JAPANESE GAS MANUFACTURERS. CONSEQUENTLY, IWATANI REQUESTS THAT PROJECT NOT BE PUBLICIZED OR SENT THROUGH TOP CHANNELS.

6. ACTION REQUESTED: IWATANI WILL BE SENDING STAFF TO US IN SEPTEMBER AND WOULD LIKE TO CONTACT US GAS MANUFACTURERS OR OTHERS WITH NITROGEN USAGE TECHNOLOGY. REQUEST COMMERCE INFORM CONGEN OF COMPANIES WITH SUCH ADVANCED TECHNOLOGY. ALSO PLEASE ADVISE OF ANY US INDUSTRIAL EXHIBITIONS ON SUBJECT THIS YEAR OR NEXT.

7. GENERAL DESCRIPTION OF IWATANI FOLLOWS:

IWATANI & CO., LTD.

1 HOMMACHI 4-CHOME, HIGASHI KU, OSAKA 541, JAPAN.

PRESIDENT: MR. NAOJI IWATANI

CAPITAL: YEN 9,393,169,850 (US DOLS 31,311,000)

SALES (FY ENDING NOV. 1974): YEN 175,626,396,000 (US DOLS 585.4 MILLION)

NO. OF EMPLOYEES: 2,181

FINANCIAL REP: SANWA BANK, LTD., OSAKA

BUSINESS: MANUFACTURER OF LPG, GENERAL TRADING COMPANY--

INDUSTRIAL GASES, GAS ENGINEERING EQUIPMENT, WELDING MATERIALS, & EQUIPMENT, INDUSTRIAL MACHINES, ELECTRICAL AND ELECTRONIC EQUIPMENT, CHEMICAL PLANTS, ETC. MANUFACTURER OF PRE-FAB HOUSES.

8. INTERESTED COMPANIES SHOULD ADDRESS CORRESPONDENCE TO:

MR. SHINYA NARUSE, DIRECTOR

INDUSTRIAL GAS DEPARTMENT

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CORPORATE BUSINESS PLANNING & ADMINISTRATION DEPT.

IWATANI & CO., LTD.

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